INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
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Joseph E. Kernan
Governor

Lori F. Kaplan
Commissioner

100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
www.in.gov/idem

August 16, 2004

TO: Interested Parties / Applicant

RE: Advanced Magensium Alloys Corporation / 095-19303-00114

FROM: Paul Dubenetzky
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval - Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-17-3-4 and 326 IAC 2, this approval is effective immediately, unless a petition for stay of effectiveness is filed and granted, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3-7 and IC 13-15-7-3 require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office Environmental Adjudication, 100 North Senate Avenue, Government Center North, Room 1049, Indianapolis, IN 46204, **within eighteen (18) calendar days of the mailing of this notice**. The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

(1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
(2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
(3) The date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision, or other order for which you seek review by permit number, name of the applicant, location, date of this notice and all of the following:

(1) the name and address of the person making the request;
(2) the interest of the person making the request;
(3) identification of any persons represented by the person making the request;
(4) the reasons, with particularity, for the request;
(5) the issues, with particularity, proposed for considerations at any hearing; and
(6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.

Enclosures
FNPER-MOD.dot 9/16/03

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August 16, 2004

Ms. Jan Guy
Advanced Magnesium Alloys Corporation
P.O. Box 2100
Anderson, Indiana 46011

Re: 095-19303
First Minor Permit Revision to
FESOP No.: 095-13751-00114

Dear Ms. Guy:

Advanced Magnesium Alloys Corporation was issued a permit on September 18, 2001 for a scrap magnesium recycling plant. A letter requesting changes to this permit was received on June 25, 2004. Pursuant to the provisions of 326 IAC 2-8-11.1 a minor permit revision to this permit is hereby approved as described in the attached Technical Support Document.

The modification consists of addition the following units:

(c) One (1) melting electric resistance crucible furnace (identified as FCE 4310), with a maximum throughput rate of 1,500 pounds of scrap per hour, and exhausting at an existing stack # 3.

Insignificant Activities:

(v) A scrap washing/drying system, using water and non-VOC containing detergent along with an electric heated dryer.

The following construction conditions are applicable to the proposed project:

1. General Construction Conditions
The data and information supplied with the application shall be considered part of this source modification approval. Prior to any proposed change in construction which may affect the potential to emit (PTE) of the proposed project, the change must be approved by the Office of Air Quality (OAQ).

2. This approval to construct does not relieve the permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.

3. Effective Date of the Permit
Pursuant to IC 13-15-5-3, this approval becomes effective upon its issuance.

4. Pursuant to 326 IAC 2-1.1-9 (Revocation), the Commissioner may revoke this approval if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

5. All requirements and conditions of this construction approval shall remain in effect unless modified in a manner consistent with procedures established pursuant to 326 IAC 2.

Pursuant to 326 IAC 2-8-11.1, this permit shall be revised by incorporating the minor permit revision into the permit. All other conditions of the permit shall remain unchanged and in effect. Please attach a copy of this modification and the following revised permit pages to the front of the original permit.

Pursuant to Contract No. A305-0-00-36, IDEM, OAQ has assigned the processing of this application to Eastern Research Group, Inc., (ERG). Therefore, questions should be directed to Sanober Durrani, ERG, 1600 Perimeter Park Drive, Morrisville, North Carolina 27560, or call (919) 468-7810 to speak directly to Ms. Durrani. Questions may also be directed to Duane Van Laningham at IDEM, OAQ, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana, 46206-6015, or call (800) 451-6027and ask for Duane Van Laningham or extension 3-6878, or dial (317) 233-6878.

Sincerely,

Original Signed by
Paul Dubenetzky, Chief
Permits Branch
Office of Air Quality

Attachments

ERG/SD

cc: File - Madison County
U.S. EPA, Region V
Madison County Health Department
Air Compliance Section Inspector - Jennifer Dorn
Compliance Data Section
Anderson Office of Air Management
Administrative and Development - Sara Cloe
Technical Support and Modeling - Michele Boner

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FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP) NEW SOURCE CONSTRUCTION PERMIT OFFICE OF AIR QUALITY AND ANDERSON OFFICE OF AIR MANAGEMENT

Advanced Magnesium Alloys Corporation
1820 E 32nd Street
Anderson, Indiana 46013

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the source described in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-8 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

Operation Permit No.: F095-13751-00114	
Issued by: Paul Dubenetzky, Branch Chief Office of Air Quality	Issuance Date: September 18, 2001 Expiration Date: September 18, 2006

First Reopening, 095-16497-00114, issued September 16, 2003
First Administrative Amendment No.: 095-18345-00114, issued on December 31, 2003
Second Administrative Amendment No: 095-18642-00114, issued May 11, 2004

First Minor Permit Revision No.: 095-19303-00114	Pages Affected: 4, 5, 26-29
Issued by: Original Signed by Paul Dubenetzky, Branch Chief Office of Air Quality	Issuance Date: August 16, 2004

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SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ), and Anderson Office of Air Management. The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-8-3(b)]

The Permittee owns and operates a stationary scrap magnesium recycling source.

Authorized individual:	Jan Guy
Source Address:	1820 E. 32nd Street, Anderson, Indiana 46013
Mailing Address:	1820 E. 32nd Street, Anderson, Indiana 46013
General Source Phone Number:	(765) 643-5873
Source Description:	scrap magnesium recycling
Source Location Status:	Madison
County Status:	Nonattainment for Ozone under the 8-hour standard Attainment for all other criteria pollutants
Source Status:	Federally Enforceable State Operating Permit (FESOP) Minor Source, under PSD and Nonattainment NSR; Minor Source, Section 112 of the Clean Air Act

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-8-3(c)(3)]

This stationary source consists of the following emission units and pollution control devices:

(a) Two (2) furnace lines, each line consisting of one (1) electric melting furnace, one (1) electric continuous refining furnace and one (1) continuous ingot pouring operation, with a total maximum throughput of 21,120 pounds of scrap magnesium per hour, and venting through stack 3.

(b) One (1) salt furnace with a maximum capacity of 3,260 tons of salt per year, and venting through stack 3.

(c) One (1) melting electric resistance crucible furnace (identified as FCE 4310), with a maximum throughput rate of 1,500 pounds of scrap per hour, and exhausting at an existing stack # 3. This unit will be constructed in 2004.

A.3 Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-8-3(c)(3)(I)]

This stationary source also includes the following insignificant activities, (other categories with emissions below significant thresholds) as defined in 326 IAC 2-7-1(21):

(a) Two (2) electric resistance heaters to dry scrap magnesium, identified as HTR-2110 and HTR-2210, total maximum throughput of 21,120 pounds of scrap magnesium per hour, and venting through stacks 1 and 2.

(b) One (1) shredder, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(c) Two (2) casting conveyors, with a total maximum throughput of 21,120 pounds of molten magnesium per hour, and venting internally.

(d) Two (2) cooling conveyors, with a total maximum throughput of 21,120 pounds of molten magnesium per hour, and venting internally. This unit will be constructed in 2004.

(e) Four (4) heater feed conveyors, each with a maximum throughput of 10,560 pounds of scrap magnesium per hour, and venting internally.

(f) One (1) shredder feed conveyor, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(g) One (1) shredder discharge conveyor, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(h) One (1) tramp iron removal magnet system, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(i) One (1) shuttle conveyor, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(j) Four (4) feed storage bins, with a total maximum capacity of 90 tons, and a maximum throughput of 61,760 tons per year and venting internally.

(k) One (1) magnesium alloy ingot storage area venting internally.

(l) One (1) aluminum storage area venting internally.

(m) One (1) zinc storage area venting internally.

(n) One (1) manganese chloride powder storage area venting internally.

(o) One (1) primary magnesium ingot storage area venting internally.

(p) One (1) salt mix storage area venting internally.

(q) One (1) calcium fluoride storage area venting internally.

(r) Five (5) natural gas space heaters with a total maximum heat capacity of 8 MMBtu, and venting internally.

(s) Two (2) natural gas tool heaters with a maximum heat capacity of 0.5 MMBtu, and venting internally.

(t) Two (2) natural gas mold heaters with a maximum heat capacity of 0.2 MMBtu, and venting internally.

(u) One (1) laboratory using wet scrubbers as control.

(v) A scrap washing/drying system, using water and non-VOC containing detergent along with an electric heated dryer. This unit will be constructed in 2004.

A.4 FESOP Applicability [326 IAC 2-8-2]

This stationary source, otherwise required to have a Part 70 permit as described in 326 IAC 2-7-2(a), has applied to the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) for a Federally Enforceable State Operating Permit (FESOP).

A.5 Prior Permits Superseded [326 IAC 2-1.1-9.5]

(a) All terms and conditions of previous permits issued pursuant to permitting programs approved into the state implementation plan have been either

(1) incorporated as originally stated,

(2) revised, or

(3) deleted

by this permit.

(b) All previous registrations and permits are superseded by this permit.

SECTION B GENERAL CONDITIONS

B.1 Permit No Defense [IC 13]

Indiana statutes from IC 13 and rules from 326 IAC, quoted in conditions in this permit, are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a FESOP under 326 IAC 2-8.

B.2 Definitions [326 IAC 2-8-1]

Terms in this permit shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, the applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2, and 326 IAC 2-7) shall prevail.

B.3 Permit Term [326 IAC 2-8-4(2)]

This permit is issued for a fixed term of five (5) years from the original date, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date.

B.4 Enforceability [326 IAC 2-8-6]

(a) Unless otherwise stated, all terms and conditions in this permit, including any provisions designed to limit the source's potential to emit, are enforceable by IDEM and Anderson Office of Air Management, the United States Environmental Protection Agency (U.S. EPA) and by citizens in accordance with the Clean Air Act.

(b) Unless otherwise stated, all terms and conditions in this permit that are local requirements, including any provisions designed to limit the source's potential to emit, are enforceable by Anderson Office of Air Management.

B.5 Termination of Right to Operate [326 IAC 2-8-9] [326 IAC 2-8-3(h)]

The Permittee's right to operate this source terminates with the expiration of this permit unless a timely and complete renewal application is submitted at least nine (9) months prior to the date of expiration of the source’s existing permit, consistent with 326 IAC 2-8-3(h) and 326 IAC 2-8-9.

B.6 Severability [326 IAC 2-8-4(4)]

The provisions of this permit are severable; a determination that any portion of this permit is invalid shall not affect the validity of the remainder of the permit.

B.7 Property Rights or Exclusive Privilege [326 IAC 2-8-4(5)(D)]

This permit does not convey any property rights of any sort, or any exclusive privilege.

B.8 Duty to Supplement and Provide Information [326 IAC 2-8-3(f)] [326 IAC 2-8-4(5)(E)] [326 IAC 2-8-5(a)(4)]

(a) The Permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such supplementary facts or corrected information to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

The submittal by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) The Permittee shall furnish to IDEM, OAQ, and Anderson Office of Air Management within a reasonable time, any information that IDEM, OAQ, and Anderson Office of Air Management may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The submittal by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1). Upon request, the Permittee shall also furnish to IDEM, OAQ, and Anderson Office of Air Management copies of records required to be kept by this permit or, for information claimed to be confidential, the Permittee may furnish such records directly to the U. S. EPA along with a claim of confidentiality.[326 IAC 2-8-4(5)(E)]

(c) For information furnished by the Permitee to IDEM, OAQ, Permittee may include a claim of confidentiality in accordance with 326 IAC 17.1 When furnishing copies of requested records directly to U. S. EPA, the Permittee may assert a claim of confidentiality in accordance with 40 CFR 2, Subpart B.

B.9 Compliance Order Issuance [326 IAC 2-8-5(b)]

IDEM, OAQ, and Anderson Office of Air Management may issue a compliance order to this Permittee upon discovery that this permit is in nonconformance with an applicable requirement. The order may require immediate compliance or contain a schedule for expeditious compliance with the applicable requirement.

B.10 Compliance with Permit Conditions [326 IAC 2-8-4(5)(A)] [326 IAC 2-8-4(5)(B)]

(a) The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit is grounds for:

(1) Enforcement action;

(2) Permit termination, revocation and reissuance, or modification; and

(3) Denial of a permit renewal application.

(b) It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

(c) An emergency does constitute an affirmative defense in an enforcement action provided the Permittee complies with the applicable requirements set forth in Section B, Emergency Provisions.

B.11 Certification [326 IAC 2-8-3(d)] [326 IAC 2-8-4(3)(C)(i)] [326 IAC 2-8-5(1)]

(a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by an authorized individual of truth, accuracy, and completeness. This certification, shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

(b) One (1) certification shall be included, using the attached Certification Form, with each submittal requiring certification.

(c) An authorized individual is defined at 326 IAC 2-1.1-1(1).

B.12 Annual Compliance Certification [326 IAC 2-8-5(a)(1)]

(a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. The initial certification shall cover the time period from the date of final permit issuance through December 31 of the same year. All subsequent certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted in letter form no later than July 1 of each year to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

(b) The annual compliance certification report required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, and Anderson Office of Air Management on or before the date it is due.

(c) The annual compliance certification report shall include the following:

(1) The appropriate identification of each term or condition of this permit that is the basis of the certification;

(2) The compliance status;

(3) Whether compliance was continuous or intermittent;

(4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-8-4(3); and

(5) Such other facts as specified in Sections D of this permit, IDEM, OAQ, and Anderson Office of Air Management may require to determine the compliance status of the source.

The notification which shall be submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

B.13 Preventive Maintenance Plan [326 IAC 1-6-3] [326 IAC 2-8-4(9)] [326 IAC 2-8-5(a)(1)]

(a) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after issuance of this permit, including the following information on each facility:

(1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;

(2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and

(3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

If due to circumstances beyond the Permittee's control, the PMPs cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

The PMP and the PMP extension notification do not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) The Permittee shall implement the PMPs as necessary to ensure that failure to implement a PMP does not cause or contribute to a violation of any limitation on emissions or potential to emit.

(c) A copy of the PMPs shall be submitted to IDEM, OAQ, and Anderson Office of Air Management upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ, and Anderson Office of Air Management. IDEM, OAQ, and Anderson Office of Air Management may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or contributes to any violation. The PMP does not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(d) Records of preventive maintenance shall be retained for a period of at least five (5) years. These records shall be kept at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner or Anderson Office of Air Management makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner or Anderson Office of Air Management within a reasonable time.

B.14 Emergency Provisions [326 IAC 2-8-12]

(a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation, except as provided in 326 IAC 2-8-12.

(b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a health-based or technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly

signed, contemporaneous operating logs or other relevant evidence that describes the following:

(1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;

(2) The permitted facility was at the time being properly operated;

(3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;

(4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, and Anderson Office of Air Management, within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone No.: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section) or,
Telephone No.: 317-233-5674 (ask for Compliance Section)
Facsimile No.: 317-233-5967
Anderson Office of Air Management: (765) 648-6158

Failure to notify IDEM, OAQ, and Anderson Office of Air Management by telephone or facsimile within four (4) daytime business hours after the beginning of the emergency, or after the emergency is discovered or reasonably should have been discovered, shall constitute a violation of 326 IAC 2-8 and any other applicable rules. [326 IAC 2-8-12(f)]

(5) For each emergency lasting one (1) hour or more, the Permittee submitted the attached Emergency Occurrence Report Form or its equivalent, either by mail or facsimile to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

within two (2) working days of the time when emission limitations were exceeded due to the emergency.

The notice fulfills the requirement of 326 IAC 2-8-4(3)(C)(ii) and must contain the following:

(A) A description of the emergency;

(B) Any steps taken to mitigate the emissions; and

(C) Corrective actions taken.

The notification which shall be submitted by the Permittee does not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(6) The Permittee immediately took all reasonable steps to correct the emergency.

(c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.

(d) This emergency provision supersedes 326 IAC 1-6 (Malfunctions). This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.

(e) IDEM, OAQ, and Anderson Office of Air Management may require that the Preventive Maintenance Plans required under 326 IAC 2-8-3(c)(6) be revised in response to an emergency.

(f) Failure to notify IDEM, OAQ, and Anderson Office of Air Management by telephone or facsimile of an emergency lasting more than one (1) hour in accordance with (b)(4) and (5) of this condition shall constitute a violation of 326 IAC 2-8 and any other applicable rules.

(g) Operations may continue during an emergency only if the following conditions are met:

(1) If the emergency situation causes a deviation from a technology-based limit, the Permittee may continue to operate the affected emitting facilities during the emergency provided the Permittee immediately takes all reasonable steps to correct the emergency and minimize emissions.

(2) If an emergency situation causes a deviation from a health-based limit, the Permittee may not continue to operate the affected emissions facilities unless:

(A) The Permittee immediately takes all reasonable steps to correct the emergency situation and to minimize emissions; and

(B) Continued operation of the facilities is necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw material of substantial economic value.

Any operations shall continue no longer than the minimum time required to prevent the situations identified in (g)(2)(B) of this condition.

(h) The Permittee shall include all emergencies in the Quarterly Deviation and Compliance Monitoring Report.

B.15 Deviations from Permit Requirements and Conditions [326 IAC 2-8-4(3)(C)(ii)]

(a) Deviations from any permit requirements (for emergencies see Section B - Emergency Provision), the probable cause of such deviations, and any response steps or preventive measures taken shall be reported to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

using the attached Quarterly Deviation and Compliance Monitoring Report, or its equivalent. Deviations that are required to be reported by an applicable requirement shall be reported according to the schedule stated in the applicable requirement and do not need to be included in this report.

The notification by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) A deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit or a rule. It does not include:

(1) An excursion from compliance monitoring parameters as identified in Section D of this permit unless tied to an applicable rule or limit; or

(2) Failure to implement elements of the Preventive Maintenance Plan unless such failure has caused or contributed to a deviation.

A Permittee's failure to take the appropriate response step when an excursion of a compliance monitoring parameter has occurred is a deviation.

(c) Emergencies shall be included in the Quarterly Deviation and Compliance Monitoring Report.

B.16 Permit Modification, Reopening, Revocation and Reissuance, or Termination [326 IAC 2-8-4(5)(C)] [326 IAC 2-8-7(a)] [326 IAC 2-8-8]

(a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a FESOP modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit [326 IAC 2-8-4(5)(C)]. The notification by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ, or Anderson Office of Air Management determines any of the following:

(1) That this permit contains a material mistake.

(2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.

(3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-8-8(a)]

(c) Proceedings by IDEM, OAQ, or Anderson Office of Air Management to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-8-8(b)]

(d) The reopening and revision of this permit, under 326 IAC 2-8-8(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ or Anderson

Office of Air Management, at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ or Anderson Office of Air Management, may provide a shorter time period in the case of an emergency. [326 IAC 2-8-8(c)]

B.17 Permit Renewal [326 IAC 2-8-3(h)]

(a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ, and Anderson Office of Air Management and shall include the information specified in 326 IAC 2-8-3. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40). The renewal application does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, IN 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

(b) Timely Submittal of Permit Renewal [326 IAC 2-8-3]

(1) A timely renewal application is one that is:

(A) Submitted at least nine (9) months prior to the date of the expiration of this permit; and

(B) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, and Anderson Office of Air Management on or before the date it is due.

(2) If IDEM, OAQ, and Anderson Office of Air Management upon receiving a timely and complete permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect until the renewal permit has been issued or denied.

(c) Right to Operate After Application for Renewal [326 IAC 2-8-9]
If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-8 until IDEM, OAQ, and Anderson Office of Air Management takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified in writing by IDEM, OAQ, and Anderson Office of Air Management, any additional information identified as needed to process the application.

B.18 Permit Amendment or Revision [326 IAC 2-8-10] [326 IAC 2-8-11.1]

(a) Permit amendments and revisions are governed by the requirements of 326 IAC 2-8-10 or 326 IAC 2-8-11.1 whenever the Permittee seeks to amend or modify this permit.

(b) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

Any such application shall be certified by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(c) The Permittee may implement the administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-8-10(b)(3)]

B.19 Operational Flexibility [326 IAC 2-8-15]

(a) The Permittee may make any change or changes at this source that are described in 326 IAC 2-8-15(b) through (d), without prior permit revision, if each of the following conditions is met:

(1) The changes are not modifications under any provision of Title I of the Clean Air Act;

(2) Any approval required by 326 IAC 2-8-11.1 has been obtained;

(3) The changes do not result in emissions which exceed the emissions allowable under this permit (whether expressed herein as a rate of emissions or in terms of total emissions);

(4) The Permittee notifies the:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Regulation Development Branch - Indiana (AR-18J)

77 West Jackson Boulevard
Chicago, Illinois 60604-3590

in advance of the change by written notification at least ten (10) days in advance of the proposed change. The Permittee shall attach every such notice to the Permittee's copy of this permit; and

(5) The Permittee maintains records on-site which document, on a rolling five (5) year basis, all such changes and emissions trading that are subject to 326 IAC 2-8-15(b) through (d) and makes such records available, upon reasonable request, to public review.

Such records shall consist of all information required to be submitted to IDEM, OAQ, and Anderson Office of Air Management, in the notices specified in 326 IAC 2-8-15(b), (c)(1), and (d).

(b) Emission Trades [326 IAC 2-8-15(c)]
The Permittee may trade increases and decreases in emissions in the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-8-15(c).

(c) Alternative Operating Scenarios [326 IAC 2-8-15(d)]
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-8-4(7). No prior notification of IDEM, OAQ or U.S. EPA is required.

B.20 Permit Revision Requirement [326 IAC 2-8-11.1]
A modification, construction, or reconstruction is governed by the requirements of 326 IAC 2 and 326 IAC 2-8-11.1.

B.21 Inspection and Entry [326 IAC 2-8-5(a)(2)] [IC 13-14-2-2]
Upon presentation of proper identification cards, credentials, and other documents as may be required by law, and subject to the Permittee's right under all applicable laws and regulations to assert that the information collected by the agency is confidential and entitled to be treated as such, the Permittee shall allow IDEM, OAQ, and Anderson Office of Air Management U.S. EPA, or an authorized representative to perform the following:

(a) Enter upon the Permittee's premises where a FESOP source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;

(b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;

(c) Inspect, at reasonable times, any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;

(d) Sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and

(e) Utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.

B.22 Transfer of Ownership or Operational Control [326 IAC 2-8-10]

(a) The Permittee must comply with the requirements of 326 IAC 2-8-10 whenever the Permittee seeks to change the ownership or operational control of the source and no other change in the permit is necessary.

(b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

The application which shall be submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-8-11(b)(3)]

B.23 Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-8-4(6)] [326 IAC 2-8-16]

(a) The Permittee shall pay annual fees to IDEM, OAQ, and Anderson Office of Air Management, within thirty (30) calendar days of receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ the applicable fee is due April 1 of each year.

(b) Failure to pay may result in administrative enforcement action, or revocation of this permit.

(c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-0425 (ask for OAQ, Billing, Licensing, and Training Section (BLT), to determine the appropriate permit fee.

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

Emissions Limitations and Standards [326 IAC 2-8-4(1)]

C.1 Overall Source Limit [326 IAC 2-8]

The purpose of this permit is to limit this source's potential to emit to less than major source levels for the purpose of Section 502(a) of the Clean Air Act.

(a) Pursuant to 326 IAC 2-8:

(1) The potential to emit any regulated pollutant from the entire source, except Particulate Matter (PM) shall be limited to less than one-hundred (100) tons per twelve (12) consecutive month period. This limitation shall also make the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration (PSD)) not applicable.

(2) The potential to emit any individual hazardous air pollutant (HAP) from the entire source shall be limited to less than ten (10) tons per twelve (12) consecutive month period; and

(3) The potential to emit any combination of HAPs from the entire source shall be limited to less than twenty-five (25) tons per twelve (12) consecutive month period.

(b) Pursuant to 326 IAC 2-2 (Prevention of Significant Deterioration), emissions of particulate matter from the entire source shall be limited to less than two hundred fifty (250) tons per twelve (12) consecutive month period.

(c) This condition shall include all emission points at this source including those that are insignificant as defined in 326 IAC 2-7-1(21). The source shall be allowed to add insignificant activities not already listed in this permit, provided that the source's potential to emit does not exceed the above specified limits.

(d) Section D of this permit contains independently enforceable provisions to satisfy this requirement.

C.2 Particulate Matter Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) pounds per hour [40 CFR 52 Subpart P] [326 IAC 6-3-2]

(a) Pursuant to 40 CFR 52 Subpart P, the allowable particulate matter emissions rate from any process not already regulated by 326 IAC 6-1 or any New Source Performance Standard, and which has a maximum process weight rate less than 100 pounds per hour shall not exceed 0.551 pounds per hour.

(b) Pursuant to 326 IAC 6-3-2(e)(2), the allowable particulate emissions rate from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour.

C.3 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this permit:

(a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.

(b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

C.4 Open Burning [326 IAC 4-1] [IC 13-17-9]

The Permittee shall not open burn any material except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6. The previous sentence notwithstanding, the Permittee may open burn in accordance with an open burning approval issued by the Commissioner under 326 IAC 4-1-4.1. 326 IAC 4-1-3(a)(2)(A) and (B) are not federally enforceable.

C.5 Incineration [326 IAC 4-2] [326 IAC 9-1-2(3)]

The Permittee shall not operate an incinerator or incinerate any waste or refuse except as provided in 326 IAC 4-2 and in 326 IAC 9-1-2. 326 IAC 9-1-2 is not federally enforceable.

C.6 Fugitive Dust Emissions [326 IAC 6-4]

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions). 326 IAC 6-4-2(4) is not federally enforceable.

C.7 Fugitive Particulate Matter Emission Limitations [326 IAC 6-5]

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations), fugitive particulate matter emissions shall be controlled according to the plan to be submitted to IDEM.

C.8 Operation of Equipment [326 IAC 2-8-5(a)(4)]

Except as otherwise provided by statute, rule or in this permit, all air pollution control equipment listed in this permit and used to comply with an applicable requirement shall be operated at all times that the emission units vented to the control equipment are in operation.

C.9 Stack Height [326 IAC 1-7]

The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted.

C.10 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

(a) Notification requirements apply to each owner or operator. If the combined amount of regulated asbestos containing material (RACM) to be stripped, removed or disturbed is at least 260 linear feet on pipes or 160 square feet on other facility components, or at least thirty-five (35) cubic feet on all facility components, then the notification requirements of 326 IAC 14-10-3 are mandatory. All demolition projects require notification whether or not asbestos is present.

(b) The Permittee shall ensure that a written notification is sent on a form provided by the Commissioner at least ten (10) working days before asbestos stripping or removal work or before demolition begins, per 326 IAC 14-10-3, and shall update such notice as necessary, including, but not limited to the following:

(1) When the amount of affected asbestos containing material increases or decreases by at least twenty percent (20%); or

(2) If there is a change in the following:

(A) Asbestos removal or demolition start date;

(B) Removal or demolition contractor; or

(C) Waste disposal site.

(c) The Permittee shall ensure that the notice is postmarked or delivered according to the guidelines set forth in 326 IAC 14-10-3(2).

(d) The notice to be submitted shall include the information enumerated in 326 IAC 14-10-3(3).

All required notifications shall be submitted to:

Indiana Department of Environmental Management
Asbestos Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

The notifications do not require a certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(e) Procedures for Asbestos Emission Control
The Permittee shall comply with the applicable emission control procedures in 326 IAC 14-10-4 and 40 CFR 61.145(c). Per 326 IAC 14-10-4 emission control requirements are applicable for any removal or disturbance of RACM greater than three (3) linear feet on pipes or three (3) square feet on any other facility components or a total of at least 0.75 cubic feet on all facility components.

(f) Indiana Accredited Asbestos Inspector
The Permittee shall comply with 326 IAC 14-10-1(a) that requires the owner or operator, prior to a renovation/demolition, to use an Indiana Accredited Asbestos Inspector to thoroughly inspect the affected portion of the facility for the presence of asbestos. The requirement that the inspector be accredited, pursuant to the provisions of 40 CFR 61, Subpart M, is federally enforceable.

Testing Requirements [326 IAC 2-8-4(3)]

C.11 Performance Testing [326 IAC 3-6]

(a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAQ.

A test protocol, except as provided elsewhere in this permit, shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual test date. The notification submitted by the Permittee does not require certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(c) Pursuant to 326 IAC 3-6-4(b), all test reports must be received by IDEM, OAQ, and Anderson Office of Air Management not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, and Anderson Office of Air Management, if the source submits to IDEM, OAQ, a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

Compliance Requirements [326 IAC 2-1.1-11]

C.12 Compliance Requirements [326 IAC 2-1.1-11]

The commissioner may require stack testing, monitoring, or reporting at any time to assure compliance with all applicable requirements by issuing an order under 326 IAC 2-1.1-11. Any monitoring or testing shall be performed in accordance with 326 IAC 3 or other methods approved by the commissioner or the U. S. EPA..

Compliance Monitoring Requirements [326 IAC 2-8-4] [326 IAC 2-8-5(a)(1)]

C.13 Compliance Monitoring [326 IAC 2-8-4(3)] [326 IAC 2-8-5(a)(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. If due to circumstances beyond its control, that equipment cannot be installed and operated within ninety (90) days, the Permittee may extend the compliance schedule related to the equipment for an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

in writing, prior to the end of the initial ninety (90) day compliance schedule with full justification of the reasons for inability to meet this date.

The notification which shall be submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

Unless otherwise specified in the approval for the new emissions unit, compliance monitoring for new emission units or emission units added through a permit revision shall be implemented when operation begins.

C.14 Maintenance of Continuous Emission Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]

(a) The Permittee shall install, calibrate, maintain, and operate all necessary continuous emission monitoring systems (CEMS) and related equipment. In addition, prompt corrective action shall be initiated whenever indicated.

(b) In the event that a breakdown of a continuous emission monitoring system occurs, a record shall be made of the times and reasons of the breakdown and efforts made to correct the problem.

(c) Whenever a continuous emission monitor other than an opacity monitor is malfunctioning or will be down for calibration, maintenance, or repairs for a period of four (4) hours or more, a calibrated backup CEMS shall be brought online within four (4) hours of shutdown of the primary CEMS, and shall be operated until such time as the primary CEMS is back in operation.

C.15 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63]

Any monitoring or testing performed required by Section D of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60, Appendix A, 40 CFR 60 Appendix B, 40 CFR 63 or other approved methods as specified in this permit.

C.16 Pressure Gauge and Other Instrument Specifications [326 IAC 2-1.1-11] [326 IAC 2-8-4(3)] [326 IAC 2-8-5(1)]

(a) Whenever a condition in this permit requires the measurement of pressure drop across any part of the unit or its control device, the gauge employed shall have a scale such that the expected normal reading shall be no less than twenty percent (20%) of full scale and be accurate within plus or minus two percent (±2%) of full scale reading.

(b) Whenever a condition in this permit requires the measurement of a temperature, the instrument employed shall have a scale such that the expected normal reading shall be no less than twenty percent (20%) of full scale and be accurate within plus or minus two percent (±2%) of full scale reading.

(c) The Permittee may request the IDEM, OAQ approve the use of a pressure gauge or other instrument that does not meet the above specifications provided the Permittee can demonstrate an alternative pressure gauge or other instrument specification will adequately ensure compliance with permit conditions requiring the measurement of pressure drop or other parameters.

Corrective Actions and Response Steps [326 IAC 2-8-4] [326 IAC 2-8-5(a)(1)]

C.17 Risk Management Plan [326 IAC 2-8-4] [40 CFR 68.215]

If a regulated substance, subject to 40 CFR 68, is present at a source in more than a threshold quantity, 40 CFR 68 is an applicable requirement and the Permittee shall submit:

(a) A compliance schedule for meeting the requirements of 40 CFR 68; or

(b) As a part of the annual compliance certification submitted under 326 IAC 2-7-6(5), a certification statement that the source is in compliance with all the requirements of 40 CFR 68, including the registration and submission of a Risk Management Plan (RMP); and

All documents submitted pursuant to this condition shall include the certification by the “authorized individual” as defined by 326 IAC 2-1.1-1(1).

C.18 Compliance Response Plan - Preparation, Implementation, Records, and Reports [326 IAC 2-8-4] [326 IAC 2-8-5]

(a) The Permittee is required to prepare a Compliance Response Plan (CRP) for each compliance monitoring condition of this permit. A CRP shall be submitted to IDEM, OAQ, Anderson Office of Air Quality upon request. The CRP shall be prepared within ninety
(90) days after issuance of this permit by the Permittee, supplemented from time to time by the Permittee, maintained on site, and is comprised of:

(1) Reasonable response steps that may be implemented in the event that a response step is needed pursuant to the requirements of Section D of this permit; and an expected time frame for taking reasonable response steps.

(2) If, at any time, the Permittee takes reasonable response steps that are not set forth in the Permittee's current Compliance Response Plan and the Permittee documents such response in accordance with subsection (e) below, the Permittee shall amend its Compliance Response Plan to include such response steps taken.

(b) For each compliance monitoring condition of this permit, reasonable response steps shall be taken when indicated by the provisions of that compliance monitoring condition as follows:

(1) Reasonable response steps shall be taken as set forth in the Permittee's current Compliance Response Plan; or

(2) If none of the reasonable response steps listed in the Compliance Response Plan is applicable or responsive to the excursion, the Permittee shall devise and implement additional response steps as expeditiously as practical. Taking such additional response steps shall not be considered a deviation from this permit so long as the Permittee documents such response steps in accordance with this condition.

(2) If the Permittee determines that additional response steps would necessitate that the emissions unit or control device be shut down, the IDEM, OAQ shall be promptly notified of the expected date of the shut down, the status of the applicable compliance monitoring parameter with respect to normal, and the results of the actions taken up to the time of notification.

(3) Failure to take reasonable response steps shall constitute a violation of the permit.

(c) The Permittee is not required to take any further response steps for any of the following reasons:

(1) A false reading occurs due to the malfunction of the monitoring equipment and prompt action was taken to correct the monitoring equipment.

(2) The Permittee has determined that the compliance monitoring parameters established in the permit conditions are technically inappropriate, has previously submitted a request for an administrative amendment to the permit, and such request has not been denied.

(3) An automatic measurement was taken when the process was not operating.

(4) The process has already returned or is returning to operating within "normal" parameters and no response steps are required.

(d) When implementing reasonable steps in response to a compliance monitoring condition, if the Permittee determines that an exceedance of an emission limitation has occurred, the Permittee shall report such deviations pursuant to Section B-Deviations from Permit Requirements and Conditions.

(e) The Permittee shall record all instances when response steps are taken. In the event of an emergency, the provisions of 326 IAC 2-8-12 (Emergency Provisions) requiring prompt corrective action to mitigate emissions shall prevail.

(f) Except as otherwise provided by a rule or provided specifically in Section D, all monitoring as required in Section D shall be performed when the emission unit is operating, except for time necessary to perform quality assurance and maintenance activities.

C.19 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-8-4] [326 IAC 2-8-5]

(a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.

(b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.

(c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

The documents submitted pursuant to this condition do not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)]

C.20 General Record Keeping Requirements [326 IAC 2-8-4(3)] [326 IAC 2-8-5]

(a) Records of all required data, reports and support information shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be kept at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner or the Anderson Office of Air Management makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner or the Anderson Office of Air Management within a reasonable time.

(b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

C.21 General Reporting Requirements [326 IAC 2-8-4(3)(C)] [326 IAC 2-1.1-11]

(a) The source shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported.

This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the "authorized individual" as defined by 326 IAC2-1.1-1(1).

(b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

and

Anderson Office of Air Management
P.O. Box 2100
120 E. 8th Street
Anderson, Indiana 46011

(c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, and Anderson Office of Air Management on or before the date it is due.

(d) Unless otherwise specified in this permit, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(e) The first report shall cover the period commencing on the date of issuance of this permit and ending on the last day of the reporting period. All subsequent reporting periods are based on calendar years.

Stratospheric Ozone Protection

C.22 Compliance with 40 CFR 82 and 326 IAC 22-1

Pursuant to 40 CFR 82 (Protection of Stratospheric Ozone), Subpart F, except as provided for motor vehicle air conditioners in Subpart B, the Permittee shall comply with the standards for recycling and emissions reduction:

(a) Persons opening appliances for maintenance, service, repair or disposal must comply with the required practices pursuant to 40 CFR 82.156

(b) Equipment used during the maintenance, service, repair or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.

(c) Persons performing maintenance, service, repair or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.

SECTION D.1 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-8-4(10)]:

(a) Two (2) furnace lines, each line consisting of one (1) electric melting furnace, one (1) electric continuous refining furnace and one (1) continuous ingot pouring operation, with a total maximum throughput of 21,120 pounds of scrap magnesium per hour, and venting through stack 3.

(b) One (1) salt furnace with a maximum capacity of 3,260 tons of salt per year, and venting through stack 3.

(c) One (1) melting electric resistance crucible furnace (identified as FCE 4310), with a maximum throughput rate of 1,500 pounds of scrap per hour, and exhausting at an existing stack # 3. This unit will be constructed in 2004.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-8-4(1)]

D.1.1 Particulate [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Process Operations), the particulate emissions from:

(a) Each of the two furnace lines shall not exceed 12.5 pounds per hour when operating at a process weight rate of 10,560 pounds per hour.

(b) The salt furnace shall not exceed 2.1 pound per hour when operating at a process weight of 744 pounds per hour.

(c) The melting crucible furnace (FCE 4310) shall not exceed 3.38 pounds per hour when operating at a process weight of 1,500 pounds per hour.

The pounds per hour limitations were calculated with the following equation:

Interpolation of the data for the process weight rate up to 60,000 pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour; and
P = process weight rate in tons per hour.

D.1.2 FESOP Limit [326 IAC 2-8-4]

(a) This source shall use less than 3,260 tons of make-up process salt of 10 percent $MgCl_2$ per twelve (12) consecutive month period in the salt furnace and one (1) melting furance (FCE 4310) with compliance determined at the end of each month. The HCl emissions shall not exceed 6.13 pounds per ton of process salt used in the salt furnace and one (1) melting furnace (FCE 4310). These limits are required to limit the potential to emit of HCl to less than ten (10) tons per twelve (12) consecutive month period. Compliance with this limit makes the requirements of 326 IAC 2-7(Title V) and 326 IAC 2-4.1-1 (Major Sources of Hazardous Air Pollutants) not applicable.

(b) This source shall average emissions of less than 7.76 lb per hour of PM_{10} over a complete cycle of operation from each furnace line, not to exceed 34.0 tons per 12 consecutive month period from each furnace line. A complete cycle includes all the processes involved in the cycle from charging of the melting furnace, to removal of the charge from the refining furnace, to cooling of the refined ingots. A furnace line consists

of one melting furnace, one continuous refining furnace and one continuous ingot pouring operation.

(c) The source shall average emissions of less than 3.38 lb per hour of PM10 over a complete cycle of operation from the one (1) melting crucible furnace (FCE 4310), not to exceed 14.8 tons per 12 consecutive month period. A complete cycle includes charging of the melting furnace and removal of the charge.

Compliance with these limits make the requirements of 326 IAC 2-7 (Title V) and 326 IAC 2-2 (PSD Requirements) not applicable.

D.1.3 Preventive Maintenance Plan [326 IAC 2-8-4(9)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for this facility and its control device.

Compliance Determination Requirements

D.1.4 Testing Requirements [326 IAC 2-8-5(a)(1), (4)] [326 IAC 2-1.1-11]

(a) Pursuant to FESOP No.: 095-13751-00114 issued on September 18, 2001, the Permittee shall perform PM, and PM10 testing on one (1) of the two (2) furnace lines, and PM and HCl testing on one (1) salt furnace utilizing methods as approved by the Commissioner. Testing shall be conducted in accordance with Section C - Performance Testing.

(b) Within 60 days after achieving maximum rate, but no less than 180 days after the issuance of this permit, the Permittee shall perform PM, PM10, and HCI testing on the one (1) melting crucible furnace (FCE 4310) utilizing methods as approved by the Commissioner. Testing shall be conducted in accordance with Section C - Performance Testing.

Compliance Monitoring Requirements [326 IAC 2-8-4] [326 IAC 2-8-5(a)(1)]

D.1.5 Visible Emissions Notations

(a) Visible emission notations of the furnace stack exhaust (stack 3) shall be performed once per shift during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal.

(b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.

(c) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

(d) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

(e) The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed. Failure to take response steps in accordance with Section C - Compliance Monitoring Plan - Failure to Take Response Steps, shall be considered a violation of this permit.

Record Keeping and Reporting Requirement [326 IAC 2-8-4(3)] [326 IAC 2-8-16]

D.1.6 Record Keeping Requirements

(a) To document compliance with Condition D.1.2(a), the Permittee shall maintain records of the amount of salt fed to the salt furnace and one (1) melting crucible furnace (FCE 4310).

(b) To document compliance with Condition D.1.2(b), the Permittee shall maintain records of the test data recorded under D.1.4 (Testing Requirements).

(c) To document compliance with Condition D.1.5, the Permittee shall maintain records of once per shift visible emission notations of the furnace stack exhaust (stack 3).

(d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.7 Reporting Requirements

A quarterly summary of the information to document compliance with Condition D.1.2(a) shall be submitted to the addresses listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the “authorized individual” as defined by 326 IAC 2-1.1-1(1).

SECTION D.2 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-8-4(10)]: Insignificant Activities

(a) Two (2) electric resistance heaters to dry scrap magnesium, identified as HTR-2110 and HTR-2210, total maximum throughput of 21,120 pounds of scrap magnesium per hour, and venting through stacks 1 and 2.

(b) One (1) shredder, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(c) Two (2) casting conveyors, with a total maximum throughput of 21,120 pounds of molten magnesium per hour, and venting internally.

(d) Two (2) cooling conveyors, with a total maximum throughput of 21,120 pounds of molten magnesium per hour, and venting internally.

(e) Four (4) heater feed conveyors, each with a maximum throughput of 10,560 pounds of scrap magnesium per hour, and venting internally.

(f) One (1) shredder feed conveyor, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(g) One (1) shredder discharge conveyor, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(h) One (1) tramp iron removal magnet system, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(i) One (1) shuttle conveyor, with a maximum throughput of 60,000 pounds of scrap magnesium per hour, and venting internally.

(j) Four (4) feed storage bins, with a total maximum capacity of 90 tons, and a maximum throughput of 61,760 tons per year and venting internally.

(k) One (1) magnesium alloy ingot storage area venting internally.

(l) One (1) aluminum storage area venting internally.

(m) One (1) zinc storage area venting internally.

(n) One (1) manganese chloride powder storage area venting internally.

(o) One (1) primary magnesium ingot storage area venting internally.

(p) One (1) salt mix storage area venting internally.

(q) One (1) calcium fluoride storage area venting internally.

(r) Five (5) natural gas space heaters with a total maximum heat capacity of 8 MMBtu, and venting internally.

(s) Two (2) natural gas tool heaters with a maximum heat capacity of 0.5 MMBtu, and venting internally.

(t) Two (2) natural gas mold heaters with a maximum heat capacity of 0.2 MMBtu, and venting internally.

(u) One (1) laboratory using wet scrubbers as control.

(v) A scrap washing/drying system, using water and non-VOC containing detergent along with an electric heated dryer. This unit will be constructed in 2004.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-8-4(1)]

D.2.1 326 IAC 6-3-2(c) Particulate Emission Limitations

There are no emission standards applicable to these emission units. All of these emission sources have a process throughput less than 100 pounds per hour or the fines entrained in the heavy magnesium metal process material are less than 100 pounds per hour.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP) CERTIFICATION

Source Name: Advanced Magnesium Alloys Corporation
Source Address: 1820 E. 32nd Street, Anderson, Indiana 46013
Mailing Address: 1820 E. 32nd Street, Anderson, Indiana 46013
FESOP No.: 095-3751-00114

This certification shall be included when submitting monitoring, testing reports/results or other documents as required by this permit.

Please check what document is being certified:

Annual Compliance Certification Letter

Test Result (specify) _____

Report (specify) _____

Notification (specify) _____

Affidavit (specify) _____

Other (specify) _____

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

Signature:
Printed Name:
Title/Position:
Date:

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY

COMPLIANCE BRANCH
P.O. Box 6015
100 North Senate Avenue
Indianapolis, Indiana 46206-6015
Phone: 317-233-5674
Fax: 317-233-5967

AND ANDERSON OFFICE OF AIR MANAGEMENT

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP)
EMERGENCY OCCURRENCE REPORT

Source Name: Advanced Magnesium Alloys Corporation
Source Address: 1820 E. 32nd Street, Anderson, Indiana 46013
Mailing Address: 1820 E. 32nd Street, Anderson, Indiana 46013
FESOP No.: 095-3751-00114

This form consists of 2 pages **Page 1 of 2**

9 This is an emergency as defined in 326 IAC 2-7-1(12)

- The Permittee must notify the Office of Air Quality (OAQ), within four (**4**) business hours (1-800-451-6027 or 317-233-5674, ask for Compliance Section); and
- The Permittee must submit notice in writing or by facsimile within two (**2**) days (Facsimile Number: 317-233-5967), and follow the other requirements of 326 IAC 2-7-16

If any of the following are not applicable, mark N/A

Facility/Equipment/Operation:
Control Equipment:
Permit Condition or Operation Limitation in Permit:
Description of the Emergency:
Describe the cause of the Emergency:

If any of the following are not applicable, mark N/A

Page 2 of 2

Date/Time Emergency started:
Date/Time Emergency was corrected:
Was the facility being properly operated at the time of the emergency? Y N Describe:
Type of Pollutants Emitted: TSP, PM-10, SO_2, VOC, NO_X, CO, Pb, other:
Estimated amount of pollutant(s) emitted during emergency:
Describe the steps taken to mitigate the problem:
Describe the corrective actions/response steps taken:
Describe the measures taken to minimize emissions:
If applicable, describe the reasons why continued operation of the facilities are necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value:

Form Completed by: _____
Title / Position: _____
Date: _____
Phone: _____

A certification is not required for this report.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION AND
ANDERSON OFFICE OF AIR MANAGEMENT

FESOP Quarterly Report

Source Name: Advanced Magnesium Alloys Corporation
Source Address: 1820 E. 32nd Street, Anderson, Indiana 46013
Mailing Address: 1820 E. 32nd Street, Anderson, Indiana 46013
FESOP No.: 095-3751-00114
Facility: Salt furnace, and one (1) melting crucible furnace
Parameter: Salt fed to furnaces
Limit: Less than 3,260 tons per twelve (12) consecutive month period, with compliance determined at the end of each month.

YEAR: _____

Month	Column 1	Column 2	Column 1 + Column 2
	This Month	Previous 11 Months	12 Month Total
Month 1			
Month 2			
Month 3			

No deviation occurred in this quarter.

Deviation/s occurred in this quarter.
Deviation has been reported on: _____

Submitted by: _____
Title / Position: _____
Signature: _____
Date: _____
Phone: _____

Attach a signed certification to complete this report

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION
AND ANDERSON OFFICE OF AIR MANAGEMENT

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP)
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT

Source Name: Advanced Magnesium Alloys Corporation
Source Address: 1820 E. 32nd Street, Anderson, Indiana 46013
Mailing Address: 1820 E. 32nd Street, Anderson, Indiana 46013
FESOP No.: 095-3751-00114

Months: _____ to _____ Year: _____

Page 1 of 2

This report is an affirmation that the source has met all the requirements stated in this permit. This report shall be submitted quarterly based on a calendar year. Any deviation from the requirements, the date(s) of each deviation, the probable cause of the deviation, and the response steps taken must be reported. Deviations that are required to be reported by an applicable requirement shall be reported according to the schedule stated in the applicable requirement and do not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".
NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.
THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD

Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Form Completed By: _____

Title/Position: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

Indiana Department of Environmental Management
Office of Air Quality
and
Anderson Office of Air Management

Technical Support Document (TSD) for a Minor Permit Revision to a Federally Enforceable State Operating Permit

Source Background and Description

Source Name:	Advanced Magnesium Alloys Corporation
Source Location:	1820 East 32nd Street, Anderson, Indiana 46013
County:	Madison
SIC Code:	3341
Operation Permit No.:	095-13751-00114
Operation Permit Issuance Date:	September 18, 2001
Permit Revision No.:	095-19303-00114
Permit Reviewer:	ERG/SD

The Office of Air Quality (OAQ) has reviewed a revision application from Advanced Magnesium Alloys Corporation relating to the construction and operation of a melting electric resistance crucible furnace and a scrap washing/drying system.

History

On June 25, 2004, Advanced Magnesium Alloys Corporation submitted a permit revision application to the OAQ requesting permission to construct and operate the following units:

(c) One (1) melting electric resistance crucible furnace (identified as FCE 4310), with a maximum throughput rate of 1,500 pounds of scrap per hour, and exhausting at an existing stack # 3.

(v) A scrap washing/drying system, using water and non VOC containing detergent along with an electric heated dryer.

Advanced Magnesium Alloys Corporation was issued FESOP No. 095-13751-00114 on September 18, 2001.

Existing Approvals

The source was issued a FESOP (F095-13751-00114) on September 18, 2001. The source has since received the following:

(a) First Reopening No.: 095-16497-00114, issued on September 16, 2003.

(b) First Administrative Amendment No.: 095-18345-00114, issued on December 31, 2003.

(c) Second Administrative Amendment No.: 095-18642-00114, issued on May 11, 2004.

(d) Interim Construction Approval No: 095-19303I-00114, issued on July 22, 2004.

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Minor Permit Revision be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An application for the purposes of this review was received on June 25, 2004.

Emission Calculations

See Appendix A of this document for detailed emissions calculations (page 1 of 1).

Potential To Emit of the Revision

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as "the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA."

This table reflects the PTE before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

Pollutant	Potential To Emit (tons/year)
PM	14.8
PM10	14.8
SO_2	0.00
VOC	0.00
CO	0.00
NO_x	0.00

Note: For the purpose of determining Title V applicability for particulates, PM-10, not PM, is the regulated pollutant in consideration.

Although salt will be added to the proposed melting crucible furnace, the Permittee has requested to continue to comply with the 3,260 tons of salt per year FESOP limit. This limits the potential to emit from the entire source of a single HAP (HCI) and combination of HAPs to less than ten (10) and twenty-five (25) tons per year, respectively.

Justification for Revision

The FESOP is being modified through a FESOP Minor Permit Revision. This revision is being performed pursuant to 326 IAC 2-8-11.1(d)(4)(a) because the potential to emit of PM10 is less than 25 tons per year and greater than 5 tons per year.

Potential to Emit After Revision

The table below summarizes the total potential to emit, reflecting all limits, of the significant emission units after control. The control equipment is considered federally enforceable only after issuance of this Permit Revision.

	Potential to Emit (tons/year)						
Emission Units	PM	PM10	SO_2	VOC	CO	NO_X	HAPs
Furnace Line 1	Less than 34.0	Less than 34.0	0.0	0.0	0.0	0.0	0.0
Furnace Line 2	Less than 34.0	Less than 34.0	0.0	0.0	0.0	0.0	
Salt Furnace	9.20	9.20	0.0	0.0	0.0	0.0	See Note 1
Existing Insignificant Units (Natural gas-fired combustion units)	0.29	0.29	0.02	3.81	0.21	3.20	Negligible
*** New Melting Crucible Furnace (FCE 4310)**	**Less than 14.8**	**Less than 14.8**	**0.0**	**0.0**	**0.0**	**0.0**	**See Note 1**
Total PTE of the Entire Source after Revision	Less than 92.3	Less than 92.3	0.02	3.81	0.21	3.20	See Note 1
Title V Major Source Thresholds	NA	100	100	100	100	100	Less than 10 for a single HAP and 25 for any combination of HAPs.

Note 1: The potential to emit from the entire source of a single HAP (HCl) and combination of HAPs are limited to less than ten (10) and less than twenty-five (25) tons per year, respectively.

After the addition of the one (1) melting electric resistance crucible furnace (FCE 4310) and a scrap washing/drying system, the potential to emit of all criteria pollutants and HAPs from the entire source are still limited to less than the Title V major source thresholds. Therefore, the requirements of 326 IAC 2-7 are not applicable to this source.

County Attainment Status

The source is located in Madison County.

Pollutant	Status
PM10	Attainment
SO_2	Attainment
NO_2	Attainment
1-hour Ozone	Attainment
8-hour Ozone	Nonattainment
CO	Attainment
Lead	Attainment

(a) Volatile organic compounds (VOC) and Nitrogen Oxides (NOx) are regulated under the Clean Air Act (CAA) for the purposes of attaining and maintaining the National Ambient Air Quality Standards (NAAQS) for ozone. Therefore, VOC and NOx emissions are considered when evaluating the rule applicability relating to the ozone standards. Madison County has been designated as nonattainment for the 8-hour ozone standard. Therefore, VOC and NOx emissions were reviewed pursuant to the requirements for nonattainment new source review.

(b) Madison County has been classified as attainment in Indiana for all other criteria pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.

(c) Fugitive Emissions
This type of operation is not in one of the 28 listed source categories under 326 IAC 2-2 or 326 IAC 2-3. However, there are applicable New Source Performance Standards that were in effect on August 7, 1980 (40 CFR 60, Subpart I), the fugitive emissions are counted toward determination of PSD and Emission Offset applicability.

Federal Rule Applicability

(a) The requirements of 40 CFR Part 60, Subpart LL, Standards of Performance for Metallic Mineral Processing Plants) are not applicable to this modification because the source does not meet the definition of a metallic mineral processing plant i.e. a metallic mineral processing plant that produces metallic minerals concentrations from ore. Advanced Magnesium Alloys recycles magnesium that has already been through production.

There are no other New Source Performance Standards (NSPS)(326 IAC 12 and 40 CFR Part 60) applicable to this modification.

(b) The requirements of 40 CFR Part 63, Subpart CCC, National Emission Standards for Hazardous Air Pollutants (NESHAPs) for Steel Pickling - HCI Process Facilities and Hydrochloric Acid Regeneration plants (326 IAC 14) is not applicable to this modification because this source does not meet the definition of a steel pickling processing plant. Advanced Magnesium Alloys recycles magnesium only, not steel, and does not perform a pickling process.

(c) The scrap washing/drying system is not subject to the National Emissions Standards for Hazardous Air Pollutants (NESHAP) 40 CFR 63, Subpart T (National Emission Standards for Halogenated Solvent Cleaning (326 IAC 14), because if does not use any of the halogenated solvents listed under this rule.

There are no other National Emission Standards for Hazardous Air Pollutants (NESHAPs)(326 IAC 14 and 20, 40 CFR Parts 61 and 63) applicable to this modification.

State Rule Applicability - Entire Source

326 IAC 2-2 (Prevention of Significant Deterioration (PSD))
The potential to emit of PM and PM10 before controls are greater than 250 tons per year from the entire source. Pursuant to FESOP No. 095-13751-00114, issued on September 18, 2001, the PM and PM10 emissions are limited to less than 100 tons per year. After the construction of the proposed melting crucible furnace (identified as FCE 4310), the source shall maintain a minor source status under PSD by limiting the potential to emit of PM from the entire source to less than 100 tons per year by complying with 326 IAC 2-8 (FESOP).

326 IAC 2-5.1 (Nonattainment New Source Review)
This source was constructed in 2001 and is located in Madison County which has been designated as nonattainment for the 8-hour ozone standard as of June 15, 2004. The construction of the proposed melting crucible furnace (identified as FCE 4310) does not result in VOC and NOx emissions and the potential to emit of VOC and NOx from the entire source is less than 100 tons per year. Therefore, this source is not subject to the requirements of 326 IAC 2-5.1 (Nonattainment New Source Review).

326 IAC 2-4.1 (New Sources of Hazardous Air Pollutants)
The potential to emit of HAPs from the entire source, including this modification is limited to less than ten (10) tons per year for a single HAP and less than twenty-five (25) tons per year for any combination of HAPs pursuant to 326 IAC 2-8 (FESOP). Therefore, this modification is not subject to the provisions of 326 IAC 2-4.1 (New Sources of Hazardous Air Pollutants).

326 IAC 2-8-4 (FESOP)

Pursuant to FESOP No. 095-13751-00114, issued on September 18, 2001, the PM10 emissions from each of the existing furnace lines are limited to less than 34.0 tons per year.

Pursuant to 326 IAC 2-8-4 (FESOP) and in order to maintain the FESOP status, the PM10 emissions from the proposed melting crucible furnace (identified as FCE 4310) shall not exceed 3.38 pounds per hour, which is equivalent to 14.8 tons per year of PM10 emissions. Combined with the PM10 emissions from the existing furnace lines, one (1) salt furnace, and the insignificant activities, the PM10 emissions from the entire source are limited to less than 100 tons per year.

Although salt will be added to the proposed melting crucible furnace (identified as FCE 4310) which results in potential to emit of HAPs (HCI), the Permittee has requested to continue to comply with the current FESOP limit of 3,260 tons of make-up process salt of 10 percent $MgCI_2$ per twelve (12) consecutive month period. Therefore, the potential to emit of HAPs from the entire source are limited to less than 10 and 25 tons per year major source threshold levels.

Compliance with these limits renders the requirements of 326 IAC 2-7 not applicable.

326 IAC 2-6 (Emission Reporting)

This source is not subject to 326 IAC 2-6 (Emission Reporting) because the source has been operating under a FESOP which limits the potential to emit of each criteria pollutant to less than one hundred (100) tons per year.

326 IAC 5-1 (Opacity Limitations)

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity for sources shall meet the following, unless otherwise stated in this permit:

(a) Opacity shall not exceed an average of thirty percent (30%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.

(b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings) as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

The particulate emissions from the new melting crucible furnace (identified as FCE 4310) shall not exceed 3.38 pounds per hour when the process weight rate is 1,500 pounds per hour.

The pounds per hour limitation was calculated with the following equation:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour and
P = process weight rate in tons per hour

Based on the potential to emit calculations, the particulate emissions from the new melting crucible furnace (identified as FCE 4310) is less than the particulate emission limit calculated above (see Appendix A, page 1 of 1). Therefore, the source is in compliance with this limit.

State Rule Applicability - Scrap Washing/Drying System

326 IAC 8-3-1 (Organic Solvent Degreasing Operations)

The scrap washing/drying system is not subject to the requirements of 326 IAC 8-3-1(Organic Solvent Degreasing Operations because this system utilizes non-VOC containing detergent and water to clean magnesium scraps.

Testing Requirements

Within 60 days after achieving maximum rate, but no less than 180 days after the issuance of this permit, the Permittee shall perform PM, PM10, and HCI testing on the one (1) melting crucible furnace (FCE 4310) utilizing methods as approved by the Commissioner. The stack testing shall be conducted in accordance with Section C - Performance Testing.

The Permittee is required to conduct stack testing for PM and PM10 emission on the one (1) melting crucible furnace to demonstrate compliance with 326 IAC 2-8 (FESOP) and 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes).

Compliance Requirements

Permits issued under 326 IAC 2-8 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-8-4. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

There are no additional compliance monitoring requirements applicable to this modification.

Proposed Changes

Language with a line through it has been deleted, and bold language has been added.

A.1 General Information [326 IAC 2-8-3(b)]

The Permittee owns and operates a stationary scrap magnesium recycling source.

Authorized individual:	Jan Guy
Source Address:	1820 E. 32nd Street, Anderson, Indiana 46013
Mailing Address:	1820 E. 32nd Street, Anderson, Indiana 46013
General Source Phone Number:	(765) 643-5873
Source Description:	scrap magnesium recycling
Source Location Status:	Madison
County Status:	**Nonattainment for Ozone under the 8-hour standard** Attainment for all **other** criteria pollutants
Source Status:	Federally Enforceable State Operating Permit (FESOP) Minor Source, under PSD and Nonattainment NSR; Minor Source, Section 112 of the Clean Air Act

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-8-3(c)(3)]

. . . .

(c) One (1) melting electric resistance crucible furnace (identified as FCE 4310), with a maximum throughput rate of 1,500 pounds of scrap per hour, and exhausting at an existing stack # 3. This unit will be constructed in 2004.

A.3 Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-8-3(c)(3)(I)]

. . . .

(v) A scrap washing/drying system, using water and non-VOC containing detergent along with an electric heated dryer. This unit will be constructed in 2004.

SECTION D.1 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-8-4(10)]:

(a) Two (2) furnace lines, each line consisting of one (1) electric melting furnace, one (1) electric continuous refining furnace and one (1) continuous ingot pouring operation, with a total maximum throughput of 21,120 pounds of scrap magnesium per hour, and venting through stack 3.

(b) One (1) salt furnace with a maximum capacity of 3,260 tons of salt per year, and venting through stack 3.

(c) One (1) melting electric resistance crucible furnace (identified as FCE 4310), with a maximum throughput rate of 1,500 pounds of scrap per hour, and exhausting at an existing stack # 3. This unit will be constructed in 2004.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

D.1.1 Particulate [326 IAC 6-3-2]

...

(b) The salt furnace shall not exceed 2.1 pound per hour when operating at a process weight of 744 pounds per hour ~~calculated using the equation below~~.

(c) The melting crucible furnace (FCE 4310) shall not exceed 3.38 pounds per hour when operating at a process weight of 1,500 pounds per hour.

...

D.1.2 FESOP Limit [326 IAC 2-8-4]

(a) This source shall use less than 3,260 tons of make-up process salt of 10 percent $MgCl_2$ per twelve (12) consecutive month period in the salt furnace **and one (1) melting furance (FCE 4310) with compliance determined at the end of each month.**~~and~~ **T**~~t~~he HCl emissions shall not exceed 6.13 pounds per ton of process salt used in the salt furnace **and one (1) melting furnace (FCE 4310)**. These limits are required to limit the potential to emit of HCl to less than ten (10) tons per twelve (12) consecutive month period. Compliance with this limit makes the requirements of 326 IAC 2-7(Title V) and 326 IAC 2-4.1-1 (Major Sources of Hazardous Air Pollutants) not applicable.

...

(c) **The source shall average emissions of less than 3.38 lb per hour of PM10 over a complete cycle of operation from the one (1) melting crucible furnace (FCE 4310), not to exceed 14.8 tons per 12 consecutive month period. A complete cycle includes charging of the melting furnace and removal of the charge.**

Compliance with ~~this~~ **these** limit**s** make~~s~~ the requirements of 326 IAC 2-7 (Title V) and 326 IAC 2-2 (PSD Requirements) not applicable.

D.1.4 Testing Requirements [326 IAC 2-8-5(a)(1), (4)] [326 IAC 2-1.1-11]

(a) Pursuant to FESOP No.: 095-13751-00114 issued on September 18, 2001, the Permittee shall perform PM, and PM10 testing on one (1) of the two (2) furnace lines, and PM and HCl testing on one (1) salt furnace utilizing methods as approved by the Commissioner. Testing shall be conducted in accordance with Section C - Performance Testing.

(b) **Within 60 days after achieving maximum rate, but no less than 180 days after the issuance of this permit, the Permittee shall perform PM, PM10, and HCl testing on the one (1) melting crucible furnace (FCE 4310) utilizing methods as approved by the Commissioner. Testing shall be conducted in accordance with Section C - Performance Testing.**

D.1.6 Record Keeping Requirements

(a) To document compliance with Condition D.1.2(a), the Permittee shall maintain records of the amount of salt fed to the salt furnace **and one (1) melting crucible furnace (FCE 4310)**.

D.1.7 Reporting Requirements

A quarterly summary of the information to document compliance with Condition D.1.2(a) ~~and (b)~~ shall be submitted to the addresses listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

SECTION D.2 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-8-4(10)]: Insignificant Activities

(a) Two (2) electric resistance heaters to dry scrap magnesium, identified as HTR-2110 and HTR-2210, total maximum throughput of 21,120 pounds of scrap magnesium per hour, and venting through stacks 1 and 2.

...

(v) **A scrap washing/drying system, using water and non-VOC containing detergent along with an electric heated dryer. This unit will be constructed in 2004.**

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION AND
ANDERSON OFFICE OF AIR MANAGEMENT

FESOP Quarterly Report

Source Name:	Advanced Magnesium Alloys Corporation
Source Address:	1820 E. 32nd Street, Anderson, Indiana 46013
Mailing Address:	1820 E. 32nd Street, Anderson, Indiana 46013
FESOP No.:	095-3751-00114
Facility:	Salt furnace**, and one (1) melting crucible furnace**
Parameter:	Salt fed to furnace**s**
Limit:	Less than 3,260 tons per twelve (12) consecutive month period**, with compliance determined at the end of each month.**

Conclusion

This permit revision shall be subject to the conditions of the attached proposed FESOP Minor Permit Revision No. 095-19303-00114.

Appendix A: Emission Calculations
One (1) Magnesium Electric Crucible Melt Furnace

Company Name: Advanced Magnesium Alloys Corporation
Address: 1820 East 32nd Street, Anderson, Indiana 46013
Permit: 095-19303
Plt ID: 095-00114
Reviewer: ERG/SD
Date: July 14th, 2004

Emission Unit Description	Maximum Throughput Rate (lb/hour)	(ton/hour)	3/ Emission Factor (lb/ton)	PTE of PM/PM10 before control (tons/year)	4/ Particulate Emission Limit (lb/hour)	4/ Particulate Emission Limit (ton/year)
Melting Furnace	1500	0.75	4.0	13.1	3.38	14.8
				13.1		**14.8**

1/ Assume all PM emissions are equal to PM10.
2/ Although salt will be added in to this furnace which results in HAP emissions, the Permittee has requested to continue to comply with the 3,260 tons of make-up process salt per twelve (12) consecutive month period, with compliance determined at the end of each month. Therefore the potential to emit of HAPs from the entire source (including this modification) are limited to less than major source threshold levels.
3/ Emission factor for the melting furnace is from AP-42, Chapter 12.12, 12.12-2 (SCC 3-04-006-01) Secondary Magnesium Smelting Pot Furnace (November, 1994).
4/ Particulate emission limit was calculated using the 326 IAC 6-3 Process Weight Rule. The source requested to base the PTE on the allowables.

METHODOLOGY
Maximum throughput (tons/hour) = Maximum throughput rate (lbs/hour) * 1ton/2000 lbs
PTE (tons/year) = Maximum throughput rate (tons/hour) * Emission factor (lb/ton) * 1ton/2000 lbs * 8760 hours/year